WEALTH MARKETS AND COMMERCE

WHEAT

Shortage of Available Supplies as a New Factor

Send for Our Special Letter "65"

Renskorf, Lyon & Company

Members { New York Stock Exchange / Chicago Board of Trade / New York Cotton Exchange

33 New Street (Ground Floor), N. Y.

MONITOR SILVER LEAD & ZINC MINING and MILLING CO.

The stock of this Company dealt in by us.

Fanning, Buck & Co.

Phones 2458 / 2459 Rector. 67 Exchange Pl.

Amer. Gas & Elec. Co.
Amer. Lt. & Trac. Co.
West. Pac. Ry. 5s, 1933, Undeposited.
Cities Service Co.
Pacific Gas & Elec. Co.
Republic Rwy. & Lt. Co.
Tennessee Ry., Lt. & Pr. Co.
Toledo Trac., Lt. & Pr. Co.
United Lt. & Rwys. Co.

Lamarche & Coady

Phone 9970 Rector. 14 Wall St.

Otis Elevator
International Salt
Lehigh Valley Coal Sales

FREDERIC H. HATCH & CO.

Phone Broad 5140. 30 Broad St., New York.
Private telephone to Boston and Philadelphia.

INVESTMENT SECURITIES

Bigelow & Company

25 Pine St. 'Phone 6290 John

STANDARD OIL

WE WILL BUY	WE WILL SELL
25 Atlantic Refining	10 Chesebrough Mfg.
50 Eureka P. Line Co.	50 Illinois P. L. Co.
50 Southern P. L.	50 Ohio Oil
50 S. O. of Ind.	50 Prairie P. L.

CARL H. PFORZHEIMER & CO.

'Phones 4860-1-2-3-4 Broad. 25 Broad St., N. Y.

Wm. A. Read & Co.

New York

Chicago Philadelphia Boston London

Metropolitan Trust Co

issues Certificates of Deposit, bearing interest, payable at specified time or on demand.

49 Wall St. 716 Fifth Ave.

BANK STATEMENTS.

THE BOWERY SAVINGS BANK

128 Bowery, New York.

The following is a list containing full names of depositors of additional Dormant Accounts in this Bank, not previously reported, and their last known places of residence, which is published as required by the provisions of Section 274 of the Banking Law.

Cathrine Ambruster, 452 Broadway, Brooklyn; Anna Baumann, 113 Forsyth St.; Margaret F. Bechdol, 38 Hanson Place, Brooklyn; Albert Achton Berg, 245 Seventh St.; Jetta Bernnis, 325 West 39th St.; Albert Blendermann, 445 Sixth St.; Katharine Bloch, 504 Sixth St.; Bertha Braun, 153 Attorney St.; Margaret Brennan, 313 West 144th St.; Louis Brook, 153 Suffolk St.; Thomas F. Burns, Tuckahoe, N. Y.; Michael Cain, 331 East 35th St.; Thomas H. Chase, 108 West 43rd St.; Agnes B. Colahan, 150 East 78th St.; John J. Conroy, Clarksville, Tenn.; Fanni Devis, 309 East 79th St.; Anna Dunne, 19 East 61st St.; William Emme, 76 Avenue B; Louis Felix, 330 East 75th St.; Henriette Formenn, 804 Fifth St.; Nathan A. Gerson, 469 Third Avenue; Peter Gies, 71 Fourth Ave.; Susan Griffen, 1229 Third Ave.; Ella Gustafson, 1093 Park Ave.; Catharine Hope, 322 Cherry St.; Theodore Hurlebusch, 21 Coenties Slip; Marie Jacobs, 1690 Third Ave.; Benjamin Lychenheime, 17 Avenue D; Henry Mahler, 105 William St., Brooklyn; Sarah Miller, Morrisania, N. Y.; Catharine S. Ogden, 33 East 38th St.; Josef Pokorny, 310 East 71st St.; Maria Röhr, 76 James St.; Bernard S. Rosemeau, 238 East 105th St.; Augusta Sante, 332 East Fourth St.; Mary Schmidt, College Point, N. Y.; Julius Schwarz, 159 Eldridge St.; Dora Servatski, 25 Suffolk St.; Mary E. Smith, 1241 Clover St., West Farms, N. Y.; Anna C. Steinbrecher, 205 7th St.; Marcus Tausig, 1490 First Ave.; Mirabell Valentine, 2234 Third Ave.; John Weldier, 160 Oliver St.; John Wesp, 164th St. & 4th Ave.; Anna Wessell, 467 West 57th St.; Frank Williams, 250 Fifth Ave.; Melbie E. Williams, 361 West 51st St.

Finance - Economics

GARET GARRETT, Editor.

WALL STREET OFFICE: Mills Building, 15 Broad St. Telephone: Hanover 6514.

Monday, August 28, 1916.

That a British loan of $250,000,000 was placed in this country last week without in the least disturbing the ease of the money market is simply an incomparable fact. We have nothing in our experience by which to scale it. The incident of placing on one day of the same week a commercial credit of $20,000,000 to the account of French borrowers was treated with mild interest. Is it that we are richer than we knew and may lend enormous sums to all the world without in the least feeling it, whereas before we had been borrowers only? It is partly that We were much stronger than we knew in economic and financial resources to begin with, but in a manner not clearly or definitely realized the war trade has financed itself.

Europe has sent to this country since the war began an amount of gold which, used as the basis of expending bank credit, is more than enough to carry twice over all the foreign loans that have been placed here. Accretions from abroad to this country's stock of gold coin and bullion since August 1, 1914, have amounted, let us say, to 665 million dollars. A dollar of gold in a bank's reserve may be the basis of five to eight dollars of credit, without recourse to facilities of the Federal Reserve Bank system. The number of times a gold dollar may be multiplied in credit rises to ten or more if you carry it through the private banking system and then through the Federal Reserve system to the extreme possibility. But that involves for the present a good deal of theory. Let us assume that in direct practice a gold dollar in bank reserves may be multiplied five times in credit. That is conservative. Then, by adding $665,000,000 of gold to the country's stock of monetary metal, you have increased the lending power of the banks directly to the extent of $3,315,000,000. The aggregate of foreign loans placed in this country since the war began is, say, $1,600,000,000. That includes the loans of all foreign countries, belligerent and neutral. Therefore the increase in the lending power of American banks by reason of the gold received from Europe is more than twice the aggregate of all the foreign loans placed in this country since the beginning of the war. It is nearly enough to cover not only the total of foreign loans, but also the total of American securities repurchased from European holders, estimated at $2,000,000,000. When you think of it in this way, and when you add to the increased lending power of the banks that came from the accretions of foreign gold the further increase, besides, which came suddenly at the end of 1914 with the advent of the Federal Reserve Bank system, you have the full explanation. This is credit expansion at a rate unparalleled in financial phenomena. We are not at the end of it yet. Already it is beginning to take the form of inflation, as witness the rise in prices. The inflation so much spoken of is not in circulating money, but in credit.

This is what happens. Great Britain to buy goods must have credit. She arranges with a Wall Street syndicate to float a loan. The syndicate borrows credit at the banks with which to carry the loan until it can be sold to investors. The credit borrowed by the syndicate is placed to the order of Great Britain. Then the contracts for goods are let to the manufacturers, who borrow credit at the bank with which to buy raw materials, to erect new factories, perhaps, and to meet their payrolls. When the goods are finised they are delivered to Great Britain's agents, who pay for them with checks on the credit which the loan syndicate placed to Great Britain's order. The manufacturers redeposit these checks with the banks. In the mean time, the loan syndicate, if it has sold the British loan to the investing public, deposits the public's checks in the banks where it borrowed the credit at first, and its indebtedness is cancelled. These have been principally bookkeeping transactions. Very little of all this credit borrowed, reborrowed and paid off again has ever taken the form of currency—perhaps none at all save what went into payrolls. The net result of it all is that Great Britain gets the goods and the investors hold her promise to pay for them at some future time. The investing public is a vague and indefinite body. It is everybody. It includes members of the original loan syndicate, the bankers as persons, the manufacturers, the sellers of raw materials, the contractors who put up the factories in which the war goods are produced, and even the wage earners who invest a portion of their wages in insurance policies or make deposits in savings banks, for the insurance companies and savings banks are institutions that invest the people's money, even in war loans. It is a kind of endless circulation, which goes on and on, so long as the credit is available. And credit, in the last word, is but the confidence of everybody that everybody else will pay.

This country is now in possession of 30 per cent of the world's whole monetary stock of gold. Its holdings are more than those of England, France, Germany and Russia all combined. It is an incredible fact. One hundred million people with already nearly a third of all the money gold there is, and still gaining it steadily! The consequences are beyond imagination. They may be not at all what we like to think they should be. Gold, after all, is not wealth. Wealth is in goods and in the power to produce them. It is in the prerogatives of exchange. It is in control of the sources of raw material and in jurisdiction over the means of distribution. Gold is but a token. Man is yet enslaved to tokens. This one of gold will come out of the war much the worse for usage.

Most people would think that you could not have too much gold. But you could. You might have more than you could spend, and that would be too much, for except as a metal that lends itself beautifully to the jeweller's craft gold has no value in itself, and is desired only as a token that may be exchanged for goods. Scandinavia has too much gold, because the belligerents have been taking her goods in exchange for gold, until there is an overabundance of gold and a scarcity of goods. Denmark, for this reason, has actually demonetized gold, in order to induce her customers to exchange less gold and more goods for the things they buy from her. Sweden is in a like dilemma. Her banks are bulging with gold, and she requires no more of it. She, too, wants in exchange for her commodities less of that precious metal and more of the goods that people consume. This is a thing economists had been saying for years. It was hard for the average person to understand. This country now is under the delusion that it is progressing in wealth by the simple fact of adding rapidly to its store of gold, but really it is not so. There is a point beyond which it would be dangerous to increase our holdings of gold. Fancy our having three-quarters or nine-tenths or all of the gold in the world. What would happen? The rest of the world would be very likely to demonetize gold, as Scandinavia is beginning to do, and for the country that had all the gold that would be a financial calamity.

Ripe Ones First.

Industrial literature will be long indebted to Mr. Robert B. Porter, secretary of the Trust and Deposit Company of Onondaga, N. Y., for what the social scientist would call an "intensive survey" of the effect of war trade upon the activities and fortunes (one could wish also the manners) of a typical American manufacturing city. The article appeared in "Moody's Magazine." The place surveyed is Syracuse. Every romantic narrative should begin with a few simple statistics. This one does. The increase in payrolls has been 50 per cent. The increase in the number of men employed has been 40 per cent. The relation is important, not to say illuminating.

"The conflict abroad," says the writer, "affected several Syracuse concerns by cutting off their customary sources of raw material." The shoe industry, for instance, was badly hit, because 75 per cent of the calfskin used in this country for making shoes had been under normal conditions supplied by Germany, France, Russia and the Balkan States. This was a very important matter, because half of all American shoes are built in part of calfskins. Moreover, the shoe industry had been wholly dependent upon Germany for the dyes used in coloring leather. That was not the worst The supply of sole leather from Argentina was interfered with at first, owing to the paralysis of credit and trade. That is the end of that. How it was solved is left to be inferred. You do not hear of it again until you come to that part of the narrative which tells of what Syracuse is doing with new trade opportunities in the outside world. The A. E. Nettleton Company is found sending representatives to South America to open a market for Syracuse shoes. The obstacles were not what you think they were—that is, not the lack of calfskins, or of German dyes, but of transportation and credit; and these difficulties have been already so largely overcome that the shoe plants are running full time and sending their products everywhere.

The Will & Baumer Company made candles for American consumption and imported the wicks from Germany. The war cut off the wicks, also the supply of crude glycerine, stearic acid and other materials. But what happened? Candles had to have wicks, so now wicks of the very best quality are made in this country, stearic acid is produced at home, as it ought to be, so that "as a result of the war South America, and particularly the Argentine Republic, is looking to Syracuse as a source of supply for church and other candles." That is not the end of candles. They are a very important commodity in this electric-lighted world still. On account of the war "the Standard Oil Company," says the writer, "has extended its candle industry to China by establishing a plant there, and the Will & Baumer Company has been called upon to supply a large part of the stearic acid used at that plant."

The Merrell-Soule Company's supply of Greek currants was cut off. Now it uses American currants, and probably regrets ever having used any other. That is a small matter. Thirteen years ago the Semet-Solvay Company erected a plant for the manufacture of synthetic carbolic acid. The process was successful, but foreign carbolic acid was "dumped" into this country at prices so low that nobody could compete with it, and the synthetic plant stood as a monument to a beautiful idea. Now look! The plant, remodelled at a cost of $100,000, is running twenty-four hours a day and pays "unusual wages." The same company has spent more than three-quarters of a million dollars on other plants to produce picric and nitric acids. To take a long leap, there is the typewriter industry. Who could have dreamed that anything short of ruin would happen to it? But such is the demand for typewriters in Europe, from Russia, from England, from France and from newspaper correspondents on the fields of battle, that the typewriter plants are swamped with business, except where they have been turned into gear factories, as at least one was. Gears are very profitable merchandise evidently. The Lefever Arms Company stopped making arms and went to making gears. That was strange. But these are strange times. Who would have thought of a war boom in pottery? That happened. "Syracuse pottery," says the writer, "excels that manufactured in any other section of the country because of its highly individual type." It had never been properly appreciated. A great many people, for snobbish or other reasons, preferred the imported stuff, but now that is no longer in competition with the Syracuse product, which should make this country "independent of Europe for its supply of high grade china." The Globe Malleable Iron Company has expanded its floor space 150 per cent, "as a result of being unable to fill the avalanche of orders thrust upon it." It has had to take in its salesmen. They were selling too much. This company makes forged motor truck parts, malleable castings and annealing pots. Companies making motor parts, differentials, fly wheels, cylinders, gears, etc., and motor trucks have simply been worked off their feet. They cannot build new concrete buildings fast enough to keep up with their business. One motor truck company tried to ignore foreign orders. No use. "Its business has been swept along," and has increased 218 per cent, perforce. The tale could go on and on. It cannot stop without the war boom in sanitary clothes pressing machinery. The only explanation of this is "large foreign business." In any case, it is real, because a new $100,000 concrete building is going up. That is evidence enough.

There comes at the end a moral. You do with it what you like. "In order to make permanent the rapidly expanding markets," says Mr. Porter, "local manufacturers will find timely assistance by, first, watching out for the danger of over-expanding manufacturing facilities; second, breaking up the market into definite, detailed opportunities; third, picking out from among those opportunities those that can be sold with the least effort and to the greatest advantage—shake the tree for the ripe ones first, in other words, before you try to climb for the others; fourth, analyzing the specific requirements of each one of these opportunities; and fifth, fitting the advantageous qualities of the product to the requirements." After this he talks of the tree itself, solicitously. The tree is more important than the fruit of one exceptional season.

To Look Within

If After the War There Is Nothing Else, Our Neglected Domestic Possibilities Are Boundless.

By ARCHER WALL DOUGLAS.

St. Louis, August 25.

The part which foreign trade plays in our unprecedented prosperity has of late become the subject of political controversy, with the usual display of partisan bias, the usual statements of half truths and the usual employment of partial and superficial statistics. In such matters, as in all things relating to their calling, political writers and speakers have ever and principally in mind the effect of their statements upon the voters. So the sincere student of economic questions is apt to exclaim with Mercutio, "A plague on both your houses."

The subject, however, is one of grave general moment, since upon the true nature of the situation depends the continuance of our present commercial activity. We can only conjecture what will be our business reactions to peace in Europe. None the less is the land full of prophets, giving out as many diverse forecasts as to what the cessation of the European war will mean to our commercial life, as did those would be ancient seers in the most troublous days of Israel. All these things may be interesting mental exercises, but they have no further value than this, as any examination of their diametrically opposite arguments and conclusions easily disclose.

No Analogy.

Both precedent and analogy are lacking in the business future which lies immediately ahead of us, but an impartial and careful study of existing fundamental conditions may give us some conception and understanding of the strength and weakness of the present situation. The immediate and continuing effect of war orders upon the manufacturing business is apparent enough, and it is equally apparent that with the coming of peace this business will come to a sudden end. This naturally means a radical adjustment in many phases of the present situation, more particularly in that section of the country lying east of the Appalachian Ranges and north of the Potomac River. The most troublesome readjustment will be that of labor, and no one can foretell what this may mean. All the arguments and discussions on this subject ignore entirely the obvious and farreaching import of the following facts in relation to domestic demand.

International Labor.

The two great difficulties now in getting orders filled promptly for home wants are the inability of the manufacturers to secure adequate raw and finished materials and a general shortage in labor in practically all manufacturing sections. Judging from the exceedingly small proportion of exports to domestic commerce it seems likely that such unemployment as results from a cessation of war orders will be readily absorbed by the general labor shortage now existing, though not at the high scales of wages which such labor is now securing. The fear that the labor market will be demoralized by a flood of immigration from Europe immediately following the conclusion of hostilities is not one justified by experience. Whether we will confront such an invasion is a mere matter of opinion, but past history indicates that the ebb and flow of emigration is largely automatically determined by the condition of commercial affairs in this country. Emigrants come in hordes when employment is to be had, and mostly they stay away, and even return home in large numbers when unemployment is rife. During all these years this great influx has signally failed either to reduce the general average wages of labor or to prevent them from steadily rising. Many enterprises, now retarded or else held in abeyance because of inability to procure the needed material, will probably be resumed, especially as the general price of commodities will recede from that abnormally high level which exists today. A foretaste of this is seen in the severe declines in lead and zinc which have somewhat curtailed mining operations in these metals, and yet which have not to any appreciable extent affected the demand for the many articles into which the prices of spelter and pig lead enter as important factors.

Prices Now and After.

In general, declining prices are accompanied by an equally declining demand, and for two reasons. Prices decline as an effect and not a cause of a falling off in demand, and the natural conservatism of the buyer halts purchases until he is satisfied that the bottom has been reached. To-day in the commercial world the inevitably coming lower range of prices in most commodities has already largely been discounted by a policy of purchasing which is entirely devoid of speculation and seeks to satisfy only immediate needs.

The present high prices of commodities are both abnormal and unhealthy, and they bear heavily upon the general public. A recession to a lower and more normal level will be most beneficial to the great mass of consumers, despite the reduction in profits to a comparatively few producers and lower wages to certain classes of labor. One of the most significant features of the situation is that even the present high level of prices has so far failed to check consumption save in a limited degree. This is not so much an indication of extravagance, as is constantly and superficially assumed, but rather of greatly increased purchasing power among the masses. The probable effect of peace in Europe upon the prices of foodstuffs in this country is a farreaching and complicated matter which in general receives but scant attention. Throughout the great wealth producing portions of the country, the West and the South, the high prices of farm products are the principal sustaining props of prosperity, for the farmer is the great purchasers in these sections.

Food Will Fall.

It seems inevitable that peace will cause an appreciable decline in the prices of all grains, because the waste of war will cease, agricultural laborers now serving as soldiers will return to the fields and what are believed to be the stored-up reserves of Russian grain will come on the market. The general effect upon the farmer of low prices of his products is to curtail both his purchasing power and inclination. There must be a sharp distinction made, however, between the products which he raises only to sell and those which indirectly form his source of revenue. Wheat is distinctly a money crop, but the greater proportion of corn and oats are consumed upon the farm, so that the prices of these latter two great staples are not really a matter of so great moment to the farmer as wheat, nor of cattle and hogs, which are also important sources of revenue. The effect of peace will, therefore, tend to curtail demand and purchasing power in the great grain growing sections. The result, however, will be far less, both in extent and nature, than in the East, where war orders play so important a part. Farming is becoming more and more a many-sided proposition, with a constantly increasing number of resources, thus enabling the farmer to adapt himself more readily than ever before to new conditions. Moreover, if the coming of peace reduces his profits in some directions it will largely increase them in others. The war hurts the fruit trade by practically stopping large exports in that line. It put the cotton planter almost out of business for a twelve months by cutting off the demand for nearly one-half of his products. That peace would benefit not only these but other great industries seems generally lost sight of. Peace will open up the phosphate mines of Florida and give employment to many thousands of men. It will put new life into the production of naval stores, rosin, turpentine and the like. It will crowd the farreaching and important lumber business with orders because of the renewal of export demand. The South, as a whole, will greatly profit by the ending of the war.

Sentimental Factors.

It is assumed, with a fair degree of probability, that the rehabilitation of ruined Europe will call for much material from us, because we are the only source of supply. In such hopes we overlook a factor that may be of great moment. Sentiment always plays an important part in commercial affairs. In the reciprocity campaign in 1910 in Canada the result was determined solely by the appeal to loyalty to the mother country, although the point at issue was purely economic. It was a question of sentimentality against common sense and self-interest, and sentimentality won decisively.

War, like misery, makes strange bedfellows. The warring nations of Europe cast aside the historic antagonisms of centuries to join in a common cause. They may carry this later into their commercial relations. They buy much from us now because they have to. This may not be so true in the times to come. We may find then, as now, that our domestic demand must be our chief reliance. Nor in doing so shall we lean upon a broken reed. We shall undoubtedly face readjustments and realignments in our future dealings with Europe. With the cessation of war there will inevitably be a hiatus in export activities until the future becomes defined. Our reactions to this in domestic business may be a comparatively brief period of waiting and suspense. But we need not let these things trouble us.

Our Own Heritage.

There looms before us in our own commercial life something far greater than Europe can bestow. Since 1907 there has been no period of general and extended development in our own country, and, in the business parlance of the day, it is about due. We are in the way of solving many political and economic problems which have hampered our progress. We have a better knowledge and understanding of our almost incalculable resources. Most of all, there is a nation-wide awakening as to the nature and possibilities of agriculture, that greatest of all businesses. We are alive to the real meaning of progress in every phase of commercial and industrial life. Great national movements such as this are not flashes in the pan, nor do they die a-borning. They blaze the way in something profoundly better than we have ever known.

Building.

The increase in building operations throughout the country is having a favorable effect on the lumber situation, being reflected in a very marked improvement in the demand for building material of all kinds. Drouth, excessive rains and other causes have had an unfavorable effect on the crop situation, but the damage has not been great enough to have any serious effect on the buying powers of the rural population.—The Southern Lumberman.

PENETRATION OF CANADA BY OUR CAPITAL

Dominion Industries, Now Occupied with War Orders, Are Indifferent.

By S. ROY WEAVER.

Toronto, August 27.

Canada's war expenditure and the obligations which the Dominion's part in the conflict will entail mean that the revenue requirements of the Dominion will necessitate a high tariff against imports. The present expectation is that the Dominion, after the war, will impose the highest tariff against the productions of nations which are now neutral—of which the United States is the most important. A somewhat lower tariff will be in force against imports from the countries which are allied with Great Britain in the present war. Commodities produced in the empire will have a preference and be subject to still lower—and the lowest—tariff rates. With the Canadian home market growing, and with Canada's highest tariff in force against imports from the United States, there will be increasing inducement for American companies which care for the Canadian business to locate branch factories in the Dominion.

The New Policy.

If the new trade policy of the empire be successfully put into effect—and there is good reason to believe that it will be—all the markets of the empire will discriminate, as regards customs duties on imports, in favor of goods produced within the empire. The extent of the preference is not yet decided, but it will almost certainly apply to a wide range of manufactured articles.

The strongest opposition in Great Britain to a preferential tariff has been on the ground that it would involve taxing the workingman's food. Canada's wheat is recognized as the best in the world, in regard to gluten qualities, and the Dominion may not clamor for a preference for wheat because it is not needed. But Canada will have need of a preference on manufactured products, and in all probability will get it. American manufacturers, then, will be under a tariff handicap in competing in empire markets with manufacturing plants in the empire. By establishing plants in Canada, these United States interests will be able to enter the markets of the empire on the most preferential terms.

Taking Steps.

While the Canadian factories are engaged in the production of munitions of war American manufacturers are strengthening their grip on the Canadian market. Before the war imports from the United States represented about 64 per cent of the total imports of the Dominion. Now they represent 74 per cent. Canada is buying from the United States every day in the year goods to the value of more than $1,200,000. Eliminating from consideration munitions of war, Canada is the United States's best customer. This is a market worth holding, and American manufacturers to-day are studying Canada and the outlook for trade after the war.

Many Canadian factories are devoting their entire capacity to the production of war munitions, and have discontinued their regular lines temporarily. Through force of circumstances, including the labor shortage, they are not retaining their hold on the domestic market. Newspapers in the Dominion report that there has not been as much advertising by Canadian manufacturers this year as there was last year. On the other hand, American companies which advertised in Canada last year, with only one important exception, have greatly increased their advertising appropriations for this country.

American Capital In.

The Canadian Manufacturers' Association in a memorial to the Dominion government in 1911 stated: "It is known that at the present time at least 200 United States manufacturing companies are operating branch factories in Canada, representing an aggregate investment of $226,000,000. For this influx of capital, with all the benefits accruing to the Dominion therefrom, we must thank a tariff which made it worth while for those who hoped to sell us goods to come to this side of the line to manufacture." The Hon. Eugene Foss, of Massachusetts, estimated several years ago that approximately $300,000,000 of American capital had been sent to Canada to build up branch industries. The Toronto Harbor Commissioners, in the preface of a recent publication, report a much larger number of branches of United States companies, but place a lower total value upon them. The commissioners state: "In the last few years 102 manufacturers with headquarters in the United States have established branches, valued in the aggregate at $30,300,000, in Toronto. In all, 535 such branches have been established in Canada, 415 out of the total being in Ontario." Taking the figures published by the commissioners, the value of American factories in Toronto represents about 17 per cent of the capital invested in manufacturing plants in the city. These facts indicate that American branch factories are already an important factor in the industrial life of Canada. A number of new plants have been opened within the past few months, and negotiations are pending for sites for others. Moreover, important extensions have been made, and are being made, to American plants already established in Canada. New opportunities in the Dominion and new—and probably discriminating—restrictions on importations from the United States are going to bring many more manufacturing establishments north of the international boundary.

From Trade Journals

Either the bakers' convention at Salt Lake City had a poor press agent or the newspapers of the country wilfully set out to make a hot weather sensation out of the favor expressed by the bakers for the ten-cent loaf of bread. However it happened or whoever was at fault, it is certain that all of the big and little editors and all of the big and little leagues about the country were recently stirred to their depths, or shallows, by what was publicly stated as an intention to "double the price of bread." No such thing was, of course, intended or even thought of. What the bakers did, and what they should have done and should continue to do, was to favor the increasing use of the loaf of bread retailing at ten cents instead of twice the number of loaves selling at five cents. Nothing was said nor was any action taken having to do with the weight or selling price of either loaf.—The Northwestern Miller.

Steel Prices Touch the Farm.

In common with others, this journal accepted the statement of "The Iron Trade Review" and "The Iron Age" last month that certain implement manufacturers had closed contracts for steel bars at 15 points off the market, or at 2.35c. This was denied at the time by a number of implement manufacturers, and it is now admitted by "The Review" that it was misinformed. One producer already has announced an increase on bars of $2 a ton, but the advance appears not to have been generally put into effect so far. However, as the market now looks, there appears to be little or no prospect of any lower price, and dealers who have been hoping against hope for lower prices for their 1917 farm equipment will do wisely to forget it, accept the inevitable and arrange their own selling schedules accordingly.—Implement and Tractor Trade Journal.

Refinancing Mexico.

The question of refinancing Mexico is at the present time causing the Administration more real anxiety than any other problem in connection with that country. Committed to making the Carranza government the real thing, if possible, the Administration has so far found it impossible to get financial interests either here or abroad to consider any loans that are not secured by the United States. Bankers when approached have very frankly said that floating a loan in Mexico at this time would be a speculation not warranted by the existing conditions. And, unless this government is ready to get the money for Carranza on its own word, there will be little use of holding the proposed border conferences.—The Banking World.

The Greatest Game.

Everything considered, the outlook is good for the man who has something to sell. The trouble is that the season has given some of us so little that we don't stand to profit much by it. But the total farm production for 1916 will most likely bring more than the usual figure, so that the average farmer will come out about as well as usual, or better. Which is just about as comforting to the man whose crop has burned up or been destroyed by Hessian fly as the fact that there's lots of ice at the North Pole is to a man who is roasting with heat. But, unfortunately, it's the way of farming—the fortune of the greatest game on earth, which all who play must accept.—Journal of Agriculture.

Aversions.

Between those members of Congress who desire to establish a consistent system of emergency taxation, in the light of the European war, and those other members who seek only to place the burden of taxation upon their pet aversions—such as the mining industry, for example—there are still signs of discord in the United States Senate. It is requiring a little time for the Senators to get their thinking caps on straight. Undeniably it conforms well with human nature to impose disagreeable burdens upon the other fellow. Scapegoat philosophy has always been popular. Accordingly, the majority in Congress would like to make up the deficit in Federal revenues at the expense of those communities and industries which belong essentially to the West. Copper and explosives are two items in which the miners are especially interested, but there is no more reason for placing discriminatory taxes upon copper and explosives than there is for overtaxing other exports to the seat of foreign warfare. How about saddles and blankets, cotton, barbed wire and canned meats?—The Mining American.

Sense of Duty.

The greater the opportunities the more difficult does it become for human nature to bear the sense of duty. Because of this truth we often see the rich slipping to ruin through self-indulgence, the vanity of kings, the pettish, snobbish egotism of those who climb to the top in literature, art and politics.—The Ohio Farmer.

MEETINGS.

THE MINNEAPOLIS & ST. LOUIS RAILROAD CO.

Notice is hereby given that pursuant to the By-Laws of the Company the annual meeting of the stockholders of The Minneapolis and St. Louis Railroad Company, of Minnesota and Iowa, will be held in the office of the Company in the City of Minneapolis, Minnesota, on Tuesday, October 3rd, 1916, at twelve o'clock noon, for the purpose of electing directors and the transaction of such other business as may legally come before the meeting.

The transfer books of the company will be closed from twelve o'clock noon, September 2, 1916, until ten o'clock A. M. October 4th, 1916.

NEWMAN ERB, President.

A. C. DOAN, Secretary.